

P.O. Box 610 Parowan, Utah 84761 (435) 477-3350

May 8, 2006

Darren R. Haddock Assessment Officer State of Utah, Department of Natural Resources Division of Oil, Gas, and Mining 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, UT 84114-5801

DIV. OF OIL, GAS & MINING

Subject: Your letter dated April 3, 2006, Cessation Order MC-2006-02-01 Certified Return Receipt #7099 3400 0016 8894 6444 East Side #1 Mine S/053/0078, Washington County, Utah

Dear Mr. Haddock,

In reference to your letter, we offer the following response. The East Side #1 claim, was staked over an existing expired mining claim in the same location, and there were existing workings. There is an existing access road, existing turn around area, and existing excavation/mining dump on the mining claim by prior owners. There is also disturbance caused by other individuals, who have used hand tools to dig for alabaster on the site, as was discussed with Steve Winslow of the Forest Service, during an on site visit on May 5, 2006. We disagree that the total disturbance at the East Side #1 is ½ acre as described in your letter. The total disturbance other than existing at the site, was less than 1000 square feet, or 0.023 acres, as documented in the site photographs included with the cessation order. This disturbance was a redisturbance on an existing excavation. Since the disturbance was also over the existing workings, there was no loss of vegetation, as there was negligible growth of vegetation on the existing mined area, because there was no topsoil present. The purpose of the disturbance was exploration to determine alabaster quality not to mine alabaster. These areas are shown in our response to the cessation order which was sent in previously. We have obtained aerial photographs from the www.terraserver.microsoft.com web site, from September 7, 1999 which was prior to any activity by Alpine Gems. This photograph is attached. You can see clearly on the attached photograph, that there was an existing mine in place in 1999, and an existing disturbance and excavation, prior to our staking and redisturbance of the deposit in 2002. Abatement of the redisturbance is not planned, as we are proceeding with a small mine permit on the deposit.

We request that the penalty be eliminated, since this was on existing mine workings, was for determination of alabaster quality, and we have proceeded in good faith by submitting a request for a small mine permit, in addition to meeting with the Forest Service on site to determine surety requirements.

You can contact me at my home at (435) 477-3350, or you can contact Ben Lamoreaux at (435) 701-1875 (cell phone), (435) 586-0174 (office).

Sincerely,

Paul Lamoreaux

Alpine Gems & Minerals



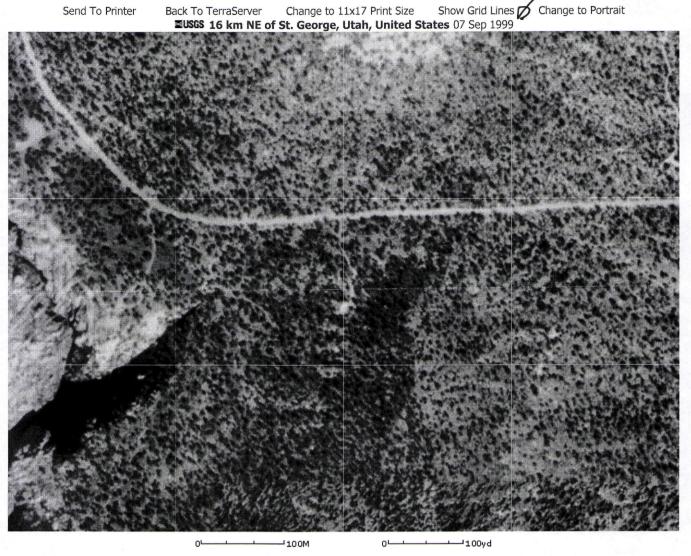


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